



**TO:** Tourism Advisory Committee

**FROM:** David Kleitsch, Economic Development Director

**DATE:** March 5, 2010

**SUBJECT:** Director's Report

**Lodging Tax Revenues**

In 2009, revenues distributed to the City of Lynnwood from Hotel / Motel Tax collections totaled \$454,125, a 21% decrease compared to 2008, which is close to projected revenues of \$455,000 provided to the TAC/LTAC on December 10, 2009. The decline in revenues is a direct reflection on the conditions of the economy, and decreased personal and corporate travel nationwide. Lynnwood collected more lodging tax than any other city in Snohomish County. The second largest city collector was Everett at \$273,102 (down 21% compared to 2008) followed by Bothell at \$135,993, (down 25%).

The table below details the lodging tax distribution in Snohomish County in 2009.

Location	State Shared	Hotel/Motel Additional	Total
Snohomish County	337,740.89	1,567,038.25	1,900,779.14
Arlington	61,840.82		61,840.82
Bothell	135,993.21		135,993.21
Edmonds	72,021.38		72,021.38
Everett	273,102.27		273,102.27
Lynnwood	454,124.70		454,124.70
Marysville	57,299.75		57,299.75
Monroe	41,996.50		41,996.50
Mountlake Terrace	D		D
Mukilteo	103,330.25		103,330.25
City of Snohomish	1,752.67		1,752.67
<b>Total</b>	<b>1,535,202.44</b>	<b>1,567,038.25</b>	<b>3,102,240.69</b>

**Smith Travel Report**

The lodging industry statewide continues to struggle. Statewide, the YTD occupancy rate is 43.7%, a 3.8% decrease over January 2009. Snohomish County occupancy at the end of January 2010 was 47.2%, a 1.6% decline compared to 2009. RevPar is down to \$36.89, a 11.3% drop and ADR is \$78.12, a 9.8% decrease. By means of comparison, year-to-date through January, King County occupancy increased 7.7% to 48.4%, RevPar declined 2.2% to \$50.46 and ADR dropped 9.2% to \$104.31. We continue to monitor these metrics closely.

**Rooms at Par**

In January 2010, Lynnwood discontinued advertising Rooms-at-Par, which served the Canadian market. This was done to save money and because returns on the investment had dwindled significantly. The program and the Lynnwood hotels are still promoted bi-weekly in the RAP advertisements by the Snohomish County Tourism Bureau.

A decrease in hotel bookings was anticipated due to the reduction in exposure and, in the month of February, due to activities associated with the Olympics. In February 2010, Lynnwood hotels booked 63 room nights, representing \$6,399 in revenue. This is half the number of rooms and revenue booked in February 2009. However, it comprises 75% of all Rooms-at-Par February bookings. By means of comparison, in 2009, Lynnwood Rooms at par February bookings accounted for 77% of all rooms booked in the program.

**County Strategic Tourism Plan**

The deadline for submitting proposals to update the Snohomish County Tourism Strategic plan was March 2, 2010. We are hoping to know the status of the responses by the TAC meeting. The County plans to select a consultant by April 1, 2010 and complete the project before the end of 2010. We will keep the TAC/LTAC advised as the project continues.

**Lynnwood Citywide Branding**

On March 1, 2010, North Star Destination Strategies presented the key findings of the research they have been conducting over the past 5 months. The research identified what Lynnwood is and is not in the eyes of its residents, competitors and those who visit and do business here. It is perceived that Lynnwood's strongest assets are Alderwood mall, our convenient location and affordability. We are also perceived to be business friendly and open and accepting. Key weaknesses as perceived by these groups include traffic, no clear Lynnwood identity, lack of cohesive city government and no specific tourism attraction, other than Alderwood mall. The research will culminate in a brand platform statement which will be used to guide the development of the Lynnwood logo and tag line. The statement will encompass Lynnwood's convenient, accessible location, the ongoing exchange of ideas, social activities, commerce and diversity. The TAC will received updates as the project proceeds.

**Volunteer Appreciation Dinner**

Mark your calendars. April 30th is the annual Volunteer Appreciation Dinner at the Lynnwood Conventions Center. This is the City's way of thanking you for your volunteer efforts over the past year. The program includes dinner and starts at 6:00pm. Watch the mail for you invitation.

**NEXT MEETING: April 11, 2010**